(b) if so, what are the facts thereof and the reasons therefor along with the details of the units which have to undergo such curtailment or pruning in its modernisation programme;

(c) whether any compensation will be paid to the contractors already engaged for works; and

(d) if so, what is the formula to be followed to compensate the contractors and suppliers adequately so as to ensure proper confidence in the public sector undertakings?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI *KHURSHID ALAM KHAN*): *(a) Yes,* Sir.

(b) It has been decided to execute civil construction work to the extent necessary for construction already completed. It was decided to curtail expansion of spindleage in the case of two projects of NTC (WBABO) in view of the limited resources and capacity in the spinning sector at that time.

(c) and (d) According to available information, amounts due to both contracters are less than the pending advances. The contractors have not reconciled the accounts. In these circumstances, it is not possible to indicate anything about compensation.

Raids at the premises of a tyre manufacturer of Bangalore to detect excise duty evasion

1141. SHRI R. RAMAKRISHNAN: Will the Minister of FINANCE be pleased to state:

(a) whether any raids were recently conducted to detect excise duty evasion by a big tyre manufacturer of Bangalore which has revealed excise duty evasion involving crores of rupees; and

(b) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) No Sir.

(b) Does not arise.

Violation of foreign exchange rules by the Directors of M/s. Modi Group of Industries

1142. SHRI MUKHTIAR SINGH MALIK: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some Directors of M/s. Modi Group of Industries were arrested abroad during 1985 for violation of foreign exchange rules;

(b) if so, what are the details in this regard;

(c) whether it is also a fact that the case has been dropped without examining the facts of the case; and

(d) if not, what is the progress so far made in the investigation thereof and the action taken in regard thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) No, Sir.

(b) to (d) The Directorate of Enforcement is investigating a case against Shri K. K. Modi, Vice President of Modi Group Ltd., with regard to an alleged payment of U.S. $ 50,000 as surety for his son Shri Lalit Kumar Modi, a resident in USA, who was arrested in U.S.A. by U.S. Police in May, 1985 on charge of drug trafficking and possession of deadly weapons. The investigations in the case are in progress. Appropriate action under the law, as warranted by the results of investigation, will be taken.

Tea Trading Corporation of India

1143. SHRI DIPEN GHOSH: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the Tea Trading Corporation of India (T.T.C.I.) has been made a subsidiary of the State Trading Corporation of India (S.T.C.);

(b) if so, what will henceforth be the relationship between the two organisations